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## PROGRAM NARRATIVE

601 DEPT OF COMMERCE

Date: 12/13/2006

Time: 12:08:01

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<b>Program:</b> COMMERCE ADMINISTRATION
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<b>Reporting Level:</b> 00-601-200-00-00-00-00000000
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## PROGRAM PERFORMANCE MEASURES

Not applicable

## PROGRAM STATISTICAL DATA

Not applicable

## EXPLANATION OF PROGRAM COSTS

The costs associated with Commerce Administration are dedicated to supporting the overall administrative functions of the Department.

## PROGRAM GOALS AND OBJECTIVES

This is a division that provides support services to the Department of Commerce and world class customer service to our clients.

**REQUEST DETAIL BY PROGRAM****601 DEPT OF COMMERCE****Biennium: 2007-2009****Bill#: HB1018****Date: 12/13/2006****Time: 12:08:01**

<b>Program: COMMERCE ADMINISTRATION</b>		<b>Reporting Level: 00-601-200-00-00-00-00-00000000</b>			
Description	Expenditures 2003-2005 Biennium	Present Budget 2005-2007	Budget Request Change	Requested Budget 2007-2009 Biennium	Optional Request 2007-2009
<b>SALARIES AND WAGES</b>					
SALARIES - PERMANENT	843,816	988,269	177,213	1,165,482	0
SALARIES - OTHER	77,428	75,502	-75,502	0	0
TEMPORARY SALARIES	0	0	132,864	132,864	0
FRINGE BENEFITS	225,697	314,852	62,478	377,330	0
<b>TOTAL</b>	<b>1,146,941</b>	<b>1,378,623</b>	<b>297,053</b>	<b>1,675,676</b>	<b>0</b>
<b>SALARIES AND WAGES</b>					
GENERAL FUND	1,146,941	1,378,623	297,053	1,675,676	0
FEDERAL FUNDS	0	0	0	0	0
SPECIAL FUNDS	0	0	0	0	0
<b>TOTAL</b>	<b>1,146,941</b>	<b>1,378,623</b>	<b>297,053</b>	<b>1,675,676</b>	<b>0</b>
<b>OPERATING EXPENSES</b>					
TRAVEL	157,679	170,000	-12,990	157,010	0
SUPPLIES - IT SOFTWARE	17,462	7,000	4,400	11,400	0
SUPPLY/MATERIAL-PROFESSIONAL	3,701	10,000	-5,000	5,000	0
FOOD AND CLOTHING	201	0	0	0	0
MISCELLANEOUS SUPPLIES	56,715	47,327	-2,327	45,000	0
OFFICE SUPPLIES	64,385	34,000	10,740	44,740	0
POSTAGE	52,260	37,000	-12,000	25,000	0
PRINTING	56,090	51,287	-6,287	45,000	0
IT EQUIP UNDER \$5,000	23,567	35,040	-8,040	27,000	0
OTHER EQUIP UNDER \$5,000	13,609	5,000	0	5,000	0
OFFICE EQUIP & FURN SUPPLIES	32,511	20,000	-5,000	15,000	0
INSURANCE	1,225	14,325	0	14,325	0
RENTALS/LEASES-EQUIP & OTHER	10,025	40,000	-23,374	16,626	0
RENTALS/LEASES - BLDG/LAND	140,944	240,000	-21,000	219,000	0
REPAIRS	11,915	0	7,000	7,000	0
IT - DATA PROCESSING	32,718	60,000	3,500	63,500	0
IT-COMMUNICATIONS	15,069	22,000	7,000	29,000	0
IT CONTRACTUAL SERVICES AND RE	0	5,000	-5,000	0	0
PROFESSIONAL DEVELOPMENT	244,541	371,442	75,558	447,000	0
OPERATING FEES AND SERVICES	642,788	375,537	134,516	510,053	0
FEES - PROFESSIONAL SERVICES	67,414	253,647	-183,647	70,000	0
<b>TOTAL</b>	<b>1,644,819</b>	<b>1,798,605</b>	<b>-41,951</b>	<b>1,756,654</b>	<b>0</b>

**REQUEST DETAIL BY PROGRAM****601 DEPT OF COMMERCE****Biennium: 2007-2009****Bill#: HB1018****Date: 12/13/2006****Time: 12:08:01**

Program: COMMERCE ADMINISTRATION		Reporting Level: 00-601-200-00-00-00-00-00000000			
Description	Expenditures 2003-2005 Biennium	Present Budget 2005-2007	Budget Request Change	Requested Budget 2007-2009 Biennium	Optional Request 2007-2009

**OPERATING EXPENSES**

GENERAL FUND	1,583,552	1,596,673	-41,951	1,554,722	0
FEDERAL FUNDS	0	0	0	0	0
SPECIAL FUNDS	61,267	201,932	0	201,932	0
<b>TOTAL</b>	<b>1,644,819</b>	<b>1,798,605</b>	<b>-41,951</b>	<b>1,756,654</b>	<b>0</b>

**DISCRETIONARY FUNDS**

TRAVEL	9,591	0	0	0	0
SUPPLIES - IT SOFTWARE	127	0	0	0	0
MISCELLANEOUS SUPPLIES	167	0	0	0	0
OFFICE SUPPLIES	9	0	0	0	0
RENTALS/LEASES - BLDG/LAND	0	0	0	0	0
PROFESSIONAL DEVELOPMENT	7,320	0	0	0	0
OPERATING FEES AND SERVICES	68,278	50,000	-50,000	0	0
FEES - PROFESSIONAL SERVICES	9,982	10,000	-10,000	0	0
GRANTS, BENEFITS & CLAIMS	1,549,551	2,042,229	-592,102	1,450,127	0
<b>TOTAL</b>	<b>1,645,025</b>	<b>2,102,229</b>	<b>-652,102</b>	<b>1,450,127</b>	<b>0</b>

**DISCRETIONARY FUNDS**

GENERAL FUND	1,645,025	2,102,229	-652,102	1,450,127	0
FEDERAL FUNDS	0	0	0	0	0
SPECIAL FUNDS	0	0	0	0	0
<b>TOTAL</b>	<b>1,645,025</b>	<b>2,102,229</b>	<b>-652,102</b>	<b>1,450,127</b>	<b>0</b>

**PROGRAM FUNDING SOURCES**

SPECIAL FUNDS	61,267	201,932	0	201,932	0
GENERAL FUND	4,375,518	5,077,525	-397,000	4,680,525	0
FEDERAL FUNDS	0	0	0	0	0
<b>PROGRAM FUNDING TOTAL</b>	<b>4,436,785</b>	<b>5,279,457</b>	<b>-397,000</b>	<b>4,882,457</b>	<b>0</b>

**FTE EMPLOYEES**

<b>FTE EMPLOYEES</b>	<b>11.50</b>	<b>11.24</b>	<b>.27</b>	<b>11.51</b>	<b>.00</b>
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**FUNDING DETAIL****GENERAL FUND**

<b>GENERAL FUND</b>	<b>4,375,518</b>	<b>5,077,525</b>	<b>-397,000</b>	<b>4,680,525</b>	<b>0</b>
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**REQUEST DETAIL BY PROGRAM****601 DEPT OF COMMERCE****Biennium: 2007-2009****Bill#: HB1018****Date: 12/13/2006****Time: 12:08:01**

Program: COMMERCE ADMINISTRATION		Reporting Level: 00-601-200-00-00-00-00000000			
Description	Expenditures 2003-2005 Biennium	Present Budget 2005-2007	Budget Request Change	Requested Budget 2007-2009 Biennium	Optional Request 2007-2009
<b>SPECIAL FUNDS</b>					
330 ECONOMIC DEV. FUND 330	61,267	201,932	0	201,932	0
<b>TOTAL</b>	<b>61,267</b>	<b>201,932</b>	<b>0</b>	<b>201,932</b>	<b>0</b>

**CHANGE PACKAGE DETAIL****601 DEPT OF COMMERCE****Biennium: 2007-2009****Bill#: HB1018****Date: 12/13/2006****Time: 12:08:01**

<b>PROGRAM: COMMERCE ADMINISTRATION</b>	<b>REPORTING LEVEL: 00-601-200-00-00-00-00-00000000</b>				
Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds

**AGENCY BUDGET CHANGES**

Cost To Continue	.27	297,053	0	0	297,053
1 Miscellaneous Changes	.00	-100,266	0	0	-100,266
2 Operation Changes	.00	-3,385	0	0	-3,385
3 Program Changes	.00	1,700	0	0	1,700
4 Carryover & One-Time Appropriation Adjustment	.00	-592,102	0	0	-592,102
<b>Agency Total</b>	<b>.27</b>	<b>-397,000</b>	<b>0</b>	<b>0</b>	<b>-397,000</b>

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## PROGRAM NARRATIVE

601 DEPT OF COMMERCE

Date: 12/13/2006

Time: 12:08:01

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Program: NORTH DAKOTA TOURISM	Reporting Level: 00-601-300-00-00-00-00000000
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## PROGRAM PERFORMANCE MEASURES

### LEISURE TOURISM MARKETING

- Continue pushing for the best media buys
- Create compelling advertising designed to generate trips to North Dakota
- Create annual travel guide that depicts the most current attractions, events, accommodations and activities in North Dakota
- Create promotional materials that showcase the wealth of North Dakota experiences
- Annual evaluation of media markets and ad buy to determine effectiveness
- Work with DOT and local visitor information centers to expand and enhance visitor materials and service available throughout North Dakota
- Continue upgrading Web site to provide user-friendly comprehensive travel information to assist in booking travel to North Dakota
- Develop e-marketing campaigns targeted at specific niches
- Assist regional and niche tourism organizations in their development of tourism experiences and packages
- Monitor effectiveness of online keyword marketing effectiveness
- Create research plan to measure accountability and effectiveness of advertising, as well as emerging trends in industry
- Monitor visitor inquiries in relation to media buys

### PUBLIC RELATIONS

- Generate new media contacts through Bacons Media Services and membership in MWTW, SATW and OWAA, as well as advertise FAM trips
- Generate news releases for monthly things to do in the state, themed activity news releases, special event news releases such as launching ad campaigns, news conferences, etc.
- Develop intriguing FAM itineraries each year to lure interested media in planning a trip to North Dakota
- Maintain and share our North Dakota photo library via our interactive media kit

### PARTNER COMMUNICATIONS

- Disseminate North Dakota Tourism program information through e-mail, newsletters and news releases
- Actively work to plan educational events for the tourism industry, including North Dakota Tourism Conference
- Communicate individual media mentions with partners featured
- Attend local, regional and themed tourism events whenever possible
- Keep stakeholders database current
- Offer cost-effective cooperative advertising and marketing opportunities
- Work to help partners complete travel packages
- Provide additional training in marketing, sales and tourism development
- Provide opportunities for partners to promote their venues and events through state website

## INTERNATIONAL TOURISM MARKETING

- Host media familiarization (FAM) tours, welcoming media from targeted markets
- Fulfill media needs by producing quality photos, story ideas and informational packets by an easily accessible method
- Work with media from all international markets by assisting with itinerary planning, attraction details and newsworthy information
- Work with Rocky Mountain International with international database, media qualification and regional cooperation
- Create partnerships with airlines, tour operators, North Dakota entities, and other states within targeted markets, allowing the North Dakota Tourism Division to leverage marketing dollars to the fullest extent
- Work with tourism suppliers to measure impact of international tourism to North Dakota

## GROUP TRAVEL MARKETING

- Continue partnerships with 2 Nation Tours with South Dakota, Minnesota, Manitoba, Canada, AAA and CAA, BankTravel and the motor coach industry
- Attend annual conferences for relationship building, educational seminars and sharing travel industry information
- Develop a reporting system/database for group travel data
- Develop new familiarization tours for group tour media, tour operators, 2 Nation Tours and Canadian market
- Distribute and market North Dakota Group Travel Guide nationwide and locally to the travel industry
- Transform group travel Web site to continually update attractions, events, accommodations and itineraries for new markets and collect statistics
- Create and place compelling advertising to generate group trips to North Dakota

## LEWIS & CLARK / CULTURAL AND HERITAGE MARKETING PLAN

- Target specific publications for niche advertising
- Utilize low-cost or no-cost marketing opportunities such as news releases, speaking engagements, news programs and public relations events
- Focus marketing development on broadening the Lewis & Clark and heritage tourism spectrum to include a larger segment of North Dakota beyond the bicentennial
- Retain the Lewis & Clark line-item funding and FTE
- Designate funds to expand Lewis & Clark programming, creating a comprehensive statewide cultural and heritage tourism program

### Targeted Expansion Areas include:

- *The Lewis & Clark Hospitality Training Program*, to incorporate the history, culture and heritage of every part of the state
  - *The Lewis & Clark Trail Guide*, to entice people to explore the trail, but to continue exploring other regions in North Dakota
  - *The Lewis & Clark Audio Adventure*, to create a series of adventures for each region of North Dakota
  - *The Lewis & Clark Bicentennial Newsletter*, expansion to include stories and event listings for all cultural and heritage tourism activity in the state
- Work to further develop Nature Tourism and Agritourism programs
  - Continue successful partnerships with agencies such as the North Dakota State Historical Society, North Dakota Parks and Recreation and the North Dakota Council on the Arts as well as many other public and private sectors

## LEARNING BASED VACATIONS

- Recruit potential tour guides/developers in niche areas throughout the state
- Develop database which will allow for easy access to expert availability by niche and region
- Promote learning based vacation packages through Web site and other mediums
- Develop Web site vacation planning tool
- Utilize low-cost/no-cost marketing opportunities in development and promotion through speaking engagements and public relations events

## OUTDOOR RECREATION/NATURE TOURISM MARKETING

- Continue participation in market area sport shows with increased partnering efforts with tourism partners across the state. Also develop plans to expand participation to other show venues such as golfing, cycling and general travel
- Continue participation in OWAA and AGLOW in an effort to persuade writers and video production companies to visit North Dakota
- Continue developing contacts and partnerships with North Dakota businesses directly involved in outdoor recreational and nature tourism to be aware of what services and programs are available through North Dakota Tourism
- Continue upgrading North Dakota Hunting & Fishing Guide with possible expansion of editorial coverage and distribution
- Assist in packaging outdoor experiences such as biking events, hunting adventures, wildlife viewing and festivals, excursions and golf outings
- Promote ND outdoor recreation through story pitches, FAMS, and partnership advertising placement

## CUSTOMER SERVICE/CALL CENTER AND FULFILLMENT

- Provide adequate staff coverage of call center lines
- Work with ITD to stay current with latest telephone technology
- Update scripts and caller options as needed
- Work with vendors to stay current with postal regulations and delivery requirements both nationally and internationally
- Upgrade Web site to insure functional, comprehensive information and attractiveness aimed at selling more North Dakota vacations
- Continue and increase use of focused e-mailing to database participants
- Provide potential visitors the option of obtaining tourism industry partner brochure, both on-line and on-highway
- Continuously monitor customer's comments both directly and from Web requests to ensure their needs are being met
- Provide training opportunities for staff in areas of customer service, current software and topics related to front line service delivery

## LOGO MERCHANDISE

- Grow the industry wholesale market statewide so every traveler has the opportunity to purchase Legendary and Lewis & Clark merchandise
- Increase traffic to ndtourism.com shopping to grow the retail Legendary and Lewis & Clark merchandise sales through e-marketing program and more statewide marketing of this program
- Develop retail catalog of items available for sale

## PROGRAM STATISTICAL DATA

1. \$88 million new dollars were spent by visitors to North Dakota in 2005 due to the \$1.08 million advertising campaign placed by the ND Tourism in 2005.
2. Source: ND Longwoods International, Scott Hansen, President.
3. Expenditures of out-of-state travelers: \$3.4 billion
4. Source: 2004 update to The State North Dakota: Economic, Demographic, Public Service and Fiscal Conditions research done by Randal C. Coon and F. Larry Leistritz, Department of Agricultural Economics, North Dakota State University.
5. Change in expenditures by out-of-state travelers from 2003-2004: 1.6%
6. Source: 2002 update to The State of North Dakota: Economic, Demographic, Public Service and Fiscal Conditions research done by Randal C. Coon and F. Larry Leistritz, Department of Agricultural Economics, North Dakota State University.
7. Statewide occupancy rate up 2.7% 2003-2004 and Average Daily rate up 3.8% 2003-2004. Statewide occupancy rate down 3.4% 2004-2005 and Average Daily rate up 5.3% 2004-2005.
8. Source: Smith Travel Research Service.
9. Cumulative Lodging Tax collections were up 11% 2004-2005.
10. Source: Internal survey of statewide convention and visitor bureaus.
11. Media coverage in advertising equivalency = \$2.5 million in 2005
12. In 2004-2005, 43 Tourism partners received \$116,265 in matching grant program.
13. In 2005, 97 Tourism partners participated in our on-highway distribution program.



14. Six partners used our cooperative advertising program.
15. Thirteen partners cooperated with us at sport shows.
16. 700,000 travel guides were distributed along with 100,000 hunting and fishing guides and 250,000 cultural and heritage guides.

## EXPLANATION OF PROGRAM COSTS

Over 80% of our total budget is allocated to marketing programs. The remaining dollars are used for salaries, benefits and overhead expenses. The documented success of the legendary advertising campaign has encouraged us to add additional dollars into our media buy. Many of these dollars were generated through the 1% lodging tax.

### 1% lodging tax

The hospitality industry is directly benefiting from the 1% lodging tax implemented in 2003. Because of additional resources North Dakota tourism was able to expand its marketing efforts, specifically the media advertising buy:

Media dollars

2002 – \$341,696

2003 – \$455,746

2004 – \$1,074,308

2005 – \$1,192,053

2006 - \$1,877,500

2003: The additional media dollars allowed ND Tourism to greatly expand the legendary advertising program. Immediately after the lodging tax took effect, Tourism started marketing in Canada. This late summer campaign included radio and newspaper inserts in Canada. Research conducted that fall showed that the advertising generated 31,000 trips by Canadians in that short time period. For every \$1 invested in Canada, North Dakota had a return of \$58 in Canadian spending. The additional dollars also allowed us to do a newspaper insert in select MN, IA and NE markets and gave us resources to add broadcast television in western ND, MN, IA and NE. Several additional magazine ads were purchased including: American Heritage, Midwest Living, Friendly Exchange and Good Housekeeping. US results showed that the \$775,000 invested in regional advertising generated 603,000 new trips to ND. These visitors spend \$59.7 million; bringing the total payback to \$63.2 million.

2004: Media enhancements included the production of two new television ads and the addition of cable television, Lewis and Clark signature event advertising and online keyword marketing. The plan continued the Canadian radio and newspaper inserts and broadcast television. Several travel service brochure ads (Sunday newspaper inserts) were also added. New magazines included: Westworld Saskatchewan, Going Places Manitoba, Readers Digest and American Heritage as well as the Minneapolis market for 7 home publications and 3 family magazines. The ROI results again showed a good return with the \$1 million investment yielding 532,100 trips and \$55 million in increased visitor spending.

2005: The Canadian plan was expanded to include 5 smaller cities to the marketing plan. U.S. television again ran on both broadcast and cable stations. The print campaign was tweaked mid-campaign (May) to reflect the findings of the 2004 visitor profile study. The ads ran in a few new magazines including: Arthur Fromers Budget Travel, Better Homes and Gardens and Ladies Home Journal. We also bought the Minneapolis-only markets in Child, Parenting, and Family Fun. The results showed a 50% improvement in the efficiency of the ad buy over 2004. 645,700 new trips were generated from the \$1.08 million invested. Those visitors spent \$88 million. Our cost per trip was lowered to an average of \$1.68.

2006: Plans include the addition of direct response TV to compliment the broadcast and cable buy. Canadian television was also added for the first time since the early 90's. A new border/city strategy was implemented to appeal not only to Canadians but also MN, MT, and SD residents who come to ND for a weekend of shopping, dining, entertainment and events. New research also showed opportunity in Wisconsin so television and newspaper inserts were added in WI, replacing the IA and NE markets. Print ads were also created for the golf, birding and mountain biking markets in addition to the RV and fishing markets already in place.

The 1% dollars raised were also used to enhance other program areas including:

- Printing an additional 100,000 travel guides
- Printing a group tour planner
- Advertising in program specific media: Group travel, outdoor and international
- Expanded photography
- New display booths and banners
- More familiarization tour opportunities
- More cooperative opportunities for partners to participate in
- Visitor profile research to guide marketing decisions

The Program areas we concentrate our dollars in include: Leisure marketing, public media relations, international marketing, group travel, outdoor nature tourism, Lewis & Clark/ cultural and heritage tourism, learning based vacations, travel counseling and partner communications.

The budget includes dollars in the following major categories:

Telecommunications - This includes our 800 number (800 HELLOND)-The number we advertise to call for travel packets.

Postage - This covers postage on the thousands of information packets our department sends out in response to travel inquiries. It also includes sending cases of our vacation guide and other brochures to trade shows, information centers, gas stations, etc.

Advertising/Marketing Design - A majority of the department's expenditures involve advertising design, production and placement. This includes the design of all television, radio, print and direct mail ads and the cost of placing them in the targeted markets. This also includes the development of special market brochures such as the Lewis and Clark Trail Guide, Hunting & Fishing Guide, and image pieces. All costs incurred for the maintenance and enhancement of the department's Web site and additional interactive marketing projects are included in these expenses.

Printing - A large part of our budget is allotted for the printing of our publications and brochures that promote the state and provide valuable travel information to visitors. These publications include the: ND Travel Guide, ND Hunting & Fishing Guide, C & H Guide, student packets, ND Group Tour Planning Guide and media kits.

## **PROGRAM GOALS AND OBJECTIVES**

### **LEISURE TOURISM MARKETING**

Mission: To create new wealth for North Dakota by bringing more visitors to our state.

Goals:

- Increase the economic impact of Tourism by a minimum of 3% annually as measured by NDSU agri-business
- Improve the efficiency of our advertising buys to generate trips to North Dakota. (2004, \$1 = \$55 in spending), (2005 \$1=81 in spending)
- Help increase the statewide occupancy rate annually
- Partner with neighboring states and other state agencies in providing quality visitor information for North Dakota

### **PUBLIC RELATIONS**

Mission: To create new wealth for North Dakota by increasing travel through the development of the Public Relations Program to generate favorable media coverage equivalent to \$2.5 million in advertising value per calendar year

Goals:

- Utilize Bacons Media Service to locate strong media contacts that will generate positive media coverage for North Dakota
- Become active members of MWTW, SATW and OWAA
- Generate at least 100 news releases per calendar year
- Host two media FAM trips per calendar year

E-MARKETING

Mission: To create new wealth for North Dakota by increasing travel through the development of an e-marketing campaign

Goals:

- Develop database of qualified inquiries interested in travel to North Dakota
- Develop direct marketing campaign for online inquiries
- Online booking for North Dakota vacation packages with North Dakota partners

PARTNER COMMUNICATIONS

Mission: To create new wealth for North Dakota by assisting tourism industry partners in selling their areas to generate more visitor dollars

Goal:

- Partner with local tourism marketers
- Provide cooperative advertising opportunities
- Provide online promotional partner opportunities

INTERNATIONAL TOURISM MARKETING

Mission: To create new wealth for North Dakota by bringing more international visitors to the state

Goals:

- Increase the number of visitors to North Dakota from Germany, Norway, Sweden, Iceland, Finland and Denmark
- Increase the market area of North Dakota Tourism

GROUP TRAVEL MARKETING

Mission: To create new wealth for North Dakota by bringing more groups to the state

Goals:

- Expand and diversify relationships with new and existing group travel companies to book more room nights and attraction dates in North Dakota
- Increase awareness of North Dakota by continuing memberships with American Bus Association and National Tour Association and join new travel industry associations such as Bank Travel Association and Ontario Motorcoach
- Build relationships with attractions, accommodations, event organizers and convention and visitor bureaus contacts for collection of group travel data
- Continue partnerships with other states, like the 2 Nations Tour partnership

## LEWIS & CLARK / CULTURAL AND HERITAGE MARKETING PLAN

Mission: To create new wealth for North Dakota by bringing more visitors to the state by using the Lewis & Clark Trail and Cultural and Heritage Tourism as the hook

- Goals:
- Increase advertising, marketing and public relations efforts to help increase visitation throughout the state during and beyond the bicentennial
  - Begin transition from Lewis & Clark to a statewide cultural and heritage tourism program

## LEARNING BASED VACATIONS

Mission: To create new wealth for North Dakota by developing customized learning based vacation opportunities

- Goals:
- Offer entertaining, educational and hands-on components to touring the great state of North Dakota
  - Build on one of the fastest growing segments in the tourism industry, cultural and heritage tourism

## OUTDOOR RECREATION/NATURE TOURISM MARKETING

Mission: To create new wealth for North Dakota by bringing more visitors to the state to enjoy outdoor resources

- Goals:
- Be a proactive partner with outdoor recreation and nature tourism businesses and organizations in the promotion of their businesses and services
  - Increase the awareness and impact of outdoor recreational and nature tourism opportunities in North Dakota as measured by such factors as the number of nonresident fishing and hunting licenses sold, the number of attendees at several major birding and nature festivals and the number of cyclists, horseback riders and hikers utilizing the Maah Daah Hey Trail

## CUSTOMER SERVICE/CALL CENTER AND FULFILLMENT

Mission: To provide excellent service and information to tourism customers resulting in creation of new wealth for North Dakota by bringing more visitors to the state

- Goals:
- Provide superior telephone service by answering all incoming calls by the third ring
  - Provide fast, efficient response to customer requests for tourism information by mailing materials within three days of request
  - Provide friendly, knowledgeable frontline staff for potential visitors and promotion partners

## LITERATURE DISTRIBUTION PROGRAM

Mission: To create new wealth for North Dakota by bringing more visitors to the state by working with tourism partners to provide information for travelers

- Goals:
- Continue a cooperative effort with the Department of Transportation and tourism partners in the distribution of tourism material in the state's rest areas
  - Provide tourism entities the ability to distribute their brochures to interested travelers via [www.ndtourism.com](http://www.ndtourism.com)
  - Provide visitors on-line access to partner brochures through [www.ndtourism.com](http://www.ndtourism.com)
  - Provide visitors on-line access to state brochures through [www.ndtourism.com](http://www.ndtourism.com)

## LOGO MERCHANDISE

Mission: To create new wealth for North Dakota by increasing sales of North Dakota products by expanding the Shop Online link of the ndtourism.com Web site

Goal:

- Increase Legendary and Lewis & Clark apparel and specialty retail business

**REQUEST DETAIL BY PROGRAM****601 DEPT OF COMMERCE****Biennium: 2007-2009****Bill#: HB1018****Date: 12/13/2006****Time: 12:08:01**

<b>Program: NORTH DAKOTA TOURISM</b>		<b>Reporting Level: 00-601-300-00-00-00-00000000</b>			
Description	Expenditures 2003-2005 Biennium	Present Budget 2005-2007	Budget Request Change	Requested Budget 2007-2009 Biennium	Optional Request 2007-2009
<b>SALARIES AND WAGES</b>					
SALARIES - PERMANENT	632,965	789,703	114,845	904,548	0
SALARIES - OTHER	15,492	14,741	-14,741	0	0
TEMPORARY SALARIES	0	0	82,872	82,872	0
FRINGE BENEFITS	201,382	268,798	42,926	311,724	0
SALARY INCREASE	0	0	0	0	0
BENEFIT INCREASE	0	0	0	0	0
<b>TOTAL</b>	<b>849,839</b>	<b>1,073,242</b>	<b>225,902</b>	<b>1,299,144</b>	<b>0</b>
<b>SALARIES AND WAGES</b>					
GENERAL FUND	849,839	1,073,242	225,902	1,299,144	0
FEDERAL FUNDS	0	0	0	0	0
SPECIAL FUNDS	0	0	0	0	0
<b>TOTAL</b>	<b>849,839</b>	<b>1,073,242</b>	<b>225,902</b>	<b>1,299,144</b>	<b>0</b>
<b>OPERATING EXPENSES</b>					
TRAVEL	118,702	116,987	45,289	162,276	80,000
SUPPLIES - IT SOFTWARE	5,196	6,000	0	6,000	0
SUPPLY/MATERIAL-PROFESSIONAL	2,554	168,900	1,500	170,400	0
FOOD AND CLOTHING	1,705	2,000	3,500	5,500	0
MISCELLANEOUS SUPPLIES	190,246	93,700	-73,500	20,200	0
OFFICE SUPPLIES	13,543	13,500	-500	13,000	0
POSTAGE	205,687	190,800	134,400	325,200	0
PRINTING	284,422	182,300	287,300	469,600	9,000
IT EQUIP UNDER \$5,000	14,854	19,000	-5,200	13,800	0
OFFICE EQUIP & FURN SUPPLIES	8,008	2,000	1,200	3,200	0
INSURANCE	2,990	2,500	-1,500	1,000	0
RENTALS/LEASES-EQUIP & OTHER	8,311	12,600	-500	12,100	0
RENTALS/LEASES - BLDG/LAND	93,673	94,800	-5,784	89,016	0
REPAIRS	2,178	500	0	500	0
IT - DATA PROCESSING	24,004	18,000	0	18,000	0
IT-COMMUNICATIONS	38,021	38,000	7,500	45,500	0
IT CONTRACTUAL SERVICES AND RE	2,860	30,000	17,062	47,062	0
PROFESSIONAL DEVELOPMENT	28,077	45,035	365	45,400	1,000
OPERATING FEES AND SERVICES	1,400,593	1,114,811	2,832,854	3,947,665	100,000
FEES - PROFESSIONAL SERVICES	723,064	760,100	446,243	1,206,343	10,000
<b>TOTAL</b>	<b>3,168,688</b>	<b>2,911,533</b>	<b>3,690,229</b>	<b>6,601,762</b>	<b>200,000</b>

**REQUEST DETAIL BY PROGRAM**

601 DEPT OF COMMERCE

Biennium: 2007-2009

Bill#: HB1018

Date: 12/13/2006

Time: 12:08:01

Program: NORTH DAKOTA TOURISM		Reporting Level: 00-601-300-00-00-00-00000000			
Description	Expenditures 2003-2005 Biennium	Present Budget 2005-2007	Budget Request Change	Requested Budget 2007-2009 Biennium	Optional Request 2007-2009

**OPERATING EXPENSES**

GENERAL FUND	2,911,792	2,545,579	3,690,229	6,235,808	200,000
FEDERAL FUNDS	0	0	0	0	0
SPECIAL FUNDS	256,896	365,954	0	365,954	0
<b>TOTAL</b>	<b>3,168,688</b>	<b>2,911,533</b>	<b>3,690,229</b>	<b>6,601,762</b>	<b>200,000</b>

**GRANTS**

GRANTS, BENEFITS & CLAIMS	0	110,000	50,000	160,000	675,000
<b>TOTAL</b>	<b>0</b>	<b>110,000</b>	<b>50,000</b>	<b>160,000</b>	<b>675,000</b>

**GRANTS**

GENERAL FUND	0	110,000	50,000	160,000	675,000
FEDERAL FUNDS	0	0	0	0	0
SPECIAL FUNDS	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>110,000</b>	<b>50,000</b>	<b>160,000</b>	<b>675,000</b>

**SPECIAL LINES**

LEWIS & CLARK BICENTENNIAL	3,375,851	3,933,103	-3,933,103	0	0
<b>TOTAL</b>	<b>3,375,851</b>	<b>3,933,103</b>	<b>-3,933,103</b>	<b>0</b>	<b>0</b>

**SPECIAL LINES**

GENERAL FUND	3,375,851	3,933,103	-3,933,103	0	0
FEDERAL FUNDS	0	0	0	0	0
SPECIAL FUNDS	0	0	0	0	0
<b>TOTAL</b>	<b>3,375,851</b>	<b>3,933,103</b>	<b>-3,933,103</b>	<b>0</b>	<b>0</b>

**PROGRAM FUNDING SOURCES**

FEDERAL FUNDS	0	0	0	0	0
SPECIAL FUNDS	256,896	365,954	0	365,954	0
GENERAL FUND	7,137,482	7,661,924	33,028	7,694,952	875,000
<b>PROGRAM FUNDING TOTAL</b>	<b>7,394,378</b>	<b>8,027,878</b>	<b>33,028</b>	<b>8,060,906</b>	<b>875,000</b>

**FTE EMPLOYEES**

<b>9.50</b>	<b>10.50</b>	<b>.00</b>	<b>10.50</b>	<b>.00</b>
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**REQUEST DETAIL BY PROGRAM****601 DEPT OF COMMERCE****Biennium: 2007-2009****Bill#: HB1018****Date: 12/13/2006****Time: 12:08:01**

Program: NORTH DAKOTA TOURISM		Reporting Level: 00-601-300-00-00-00-00000000			
Description	Expenditures 2003-2005 Biennium	Present Budget 2005-2007	Budget Request Change	Requested Budget 2007-2009 Biennium	Optional Request 2007-2009

**FUNDING DETAIL****GENERAL FUND**

<b>7,137,482</b>	<b>7,661,924</b>	<b>33,028</b>	<b>7,694,952</b>	<b>875,000</b>
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**SPECIAL FUNDS**

212 STATEWIDE CONFERENCE FUND 110F

0	0	0	0	0
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443 DEPARTMENT OF TOURISM FUND 443

256,896	365,954	0	365,954	0
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**TOTAL**

<b>256,896</b>	<b>365,954</b>	<b>0</b>	<b>365,954</b>	<b>0</b>
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**CHANGE PACKAGE DETAIL****601 DEPT OF COMMERCE****Biennium: 2007-2009****Bill#: HB1018****Date: 12/13/2006****Time: 12:08:01**

PROGRAM: NORTH DAKOTA TOURISM		REPORTING LEVEL: 00-601-300-00-00-00-00000000			
Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds

**AGENCY BUDGET CHANGES**

Cost To Continue	.00	118,925	0	0	118,925
1 Miscellaneous Changes	.00	-13,719	0	0	-13,719
2 Operation Changes	.00	-2,574,983	0	0	-2,574,983
3 Program Changes	.00	2,502,805	0	0	2,502,805
<b>Agency Total</b>	<b>.00</b>	<b>33,028</b>	<b>0</b>	<b>0</b>	<b>33,028</b>

**OPTIONAL REQUEST**

8 Visitor Information Center	.00	525,000	0	0	525,000
11 Tourism Development Infrastructure	.00	350,000	0	0	350,000
<b>Optional Total</b>	<b>.00</b>	<b>875,000</b>	<b>0</b>	<b>0</b>	<b>875,000</b>

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## PROGRAM NARRATIVE

601 DEPT OF COMMERCE

Date: 12/13/2006

Time: 12:08:01

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Program: ND WORKFORCE DEVELOPMENT	Reporting Level: 00-601-400-00-00-00-00000000
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## PROGRAM PERFORMANCE MEASURES

GOAL 1: Keep North Dakota businesses competitive by supporting efforts to provide an available and skilled workforce.

Strategy 1: Identify critical industry sectors and assist in the coordination of workforce intelligence studies to accurately identify labor availability, workforce shortage occupations, emerging shortage occupations, requisite skills, and emerging competencies.

Tactic 1: During the 2007-2009 Biennium support industry sector workforce needs assessment studies in the targeted industries included in the Economic Development Foundation Strategic Plan.

Tactic 2: During the 2007 -2009 Biennium continue to coordinate and provide matching funds to communities to help conduct Community Labor Availability Studies.

Strategy 2: Train, retrain and upgrade the workforce to succeed in high skilled, high wage jobs.

Tactic 1: Work with the Governor's Office and the North Dakota State Legislature to obtain support for adequate levels of funding for workforce development and workforce training programs.

Tactic 2: Work with the Governor's Office and the North Dakota State Legislature to develop new programs that address the delivery and accessibility of career ladder training to low skill and underemployed to prepare them for high skill, high demand opportunities.

GOAL 2: Encourage those not currently in North Dakota's workforce to enter or re-enter the labor market.

Strategy 1: Coordinate efforts to help businesses learn how to attract and employ persons with disabilities, seniors, immigrants, students, homemakers, welfare recipients, minorities and military retirees.

Tactic 1: Will prioritize the use of Workforce Investment Act Title I funds to help special population groups transition into the workforce.

Tactic 2: The North Dakota Workforce Development Council will encourage and track the use of Workforce Investment Act Title I funds to provide internship opportunities for eligible youth.

GOAL 3: Increase access to information about North Dakota businesses, entrepreneurial successes, internships, jobs, career opportunities and the labor market.

Strategy 1: Develop an effective integrated Career Decision-making and preparation system for youth and adults.

Tactic 1: Support the State Department for Career and Technical education in development of its [www.ImagineND.com](http://www.ImagineND.com) web site portal with links to appropriate career information and career development web sites.

Strategy 2: Work to develop a seamless statewide job listing "Portal" web site that integrates listing from a number of job posting sites.

Tactic 1: Work with Job Service North Dakota to implement the Geographic Solutions VOSJobs software and the Spidering features of the software to bring job listings from a number of sources to a single seamless web site portal.

Tact 2: Work with the Governor's Office and the North Dakota State Legislature to secure marketing funds to effectively promote the Job Service North Dakota "Portal" web site.

GOAL 4: Foster and expand the civic engagement and volunteerism on the part of North Dakota citizens.

Strategy 1: Support the expansion of AmeriCorps Projects and AmeriCorps Member enrollment as a way to address the gaps and service needs of communities.

Tactic 1: Conduct community and town hall meetings across the state to orientate communities on AmeriCorps programs and to identify community service needs for input into a Unified State Plan on Community Service.

Tactic 2: Help organizations in the development of applications for National Competitive AmeriCorps and Learn and Serve funding.

## **PROGRAM STATISTICAL DATA**

Not applicable.

## **EXPLANATION OF PROGRAM COSTS**

The program costs for Workforce Development are for staff and operating expenses for the Council & Commission. Other operating costs are \$150,000 to continue the Labor Availability Studies and the Industry Sector Workforce Needs Assessment. The North Dakota Workforce Development Division will not be administering the federal H 1B Technical Skills Training Grant during the 2007-2009 biennium. This was a \$2.1 million federal grant that was available during the 2001-2003 and 2003-2005 bienniums that ended December 15, 2005.

## **PROGRAM GOALS AND OBJECTIVES**

The Division of Workforce Development:

The Division of Workforce Development provides administrative support to Governor appointed Councils and Commission which are mandated under federal law in order for the State to receive federal funds under the Workforce Investment Act of 1998 and the National Community Service Act of 1992. In addition, the Workforce Development Division has a responsibility for coordination of a statewide talent strategy for the state.

The Workforce Development Division supports communities in coordination of a statewide talent strategy through provision of matching funds for community labor availability studies and industry sector workforce needs assessments.

Program: North Dakota Workforce Development Council:

The North Dakota Workforce Development Council was authorized under executive order 95-01. The Council is a twenty-five member board that is appointed by the Governor and serves in an advisory capacity to the Governor with responsibility for REQUESTs on policy and improvements to the North Dakota Workforce Development and Workforce Training System.

Responsibilities:

Council's responsibility to the Governor:

- Recommend the vision, goals and objectives of the State's workforce development system.
- Recommend workforce policy changes to federal and state programs that will improve the effectiveness and efficiency of the State's workforce development system.
- Recommend strategies to address current and future economic development and workforce investment needs of the state.

- Develop and monitor performance and accountability measures to improve the overall quality and effectiveness of the State's workforce development system.
- Coordinated development of a comprehensive workforce development strategic plan for the State that supports the Governor's vision and goals for economic development and workforce development.
- Recommend objectives and priorities for federal and state Workforce Development and Workforce Training Programs and funding.
- Develop policy guidance and exercise oversight of the State's job training plan and associated activities.
- Perform duties and functions of the Local and State Workforce Investment Boards as prescribed under applicable federal and state law.

Key Concepts: The major focus is on policy, vision setting, strategic planning and oversight with emphasis on workforce development and workforce training system outputs and performance. The delivery of programs and services are the responsibility of the respective state agency fiscal and grant recipient agencies.

The Council sets Benchmarks and Standards and provides oversight.

Program: Workforce Development Division:

The Division of Workforce Development of the North Dakota Department of Commerce was authorized by the 2001 North Dakota Legislative Assembly. The Division of Workforce Development is responsible for identification of current and emerging workforce issues in the State, developing a coordinated response to issues identified, identify gaps in the Workforce Development and Workforce Training system and develop recommended responses to address those gaps. The Division of Workforce Development is the State's champion for workforce issues, the State's convening agent and change agent to help address issues and the State's accountability agent for Workforce Development and Workforce Training programs.

Program: North Dakota State Commission on National and Community Service:

The North Dakota State Commission on National and Community Service was authorized under executive order 2002-02. The Council is a fifteen voting and two ex-officio member (non voting) board that is appointed by the Governor and serves in an advisory capacity to the Governor with responsibility for advancing civic engagement and volunteerism in the State and for administration of the AmeriCorps\*State Formula grants under the National and Community Service Act of 1990.

Responsibilities of the North Dakota State Commission on National and Community Service Include:

1. Development of a three-year comprehensive national and community service plan and establishment of State priorities for use of AmeriCorps\*State Formula funding and the expansion of civic engagement and volunteerism;
  - a. Administer a competitive grant process to select program sponsors for national service programs;
  - b. Administer grant programs selected and awarded in the state, including evaluation and monitoring of sub grantee programs.
  - c. Assist State educational agency in preparing the application for subtitle B school-based service learning programs;
  - d. May apply to the Corporation to receive funding for community-based after coordination with the State Educational Agency.
  - e. Provide technical assistance to local nonprofit organizations and other entities in planning programs, applying for funds and in implementing and operating high quality programs.
  - f. Provide services to promote disability inclusion in national corporation programs in the State.

State Commission Administration:

Federal and State funds provide 100% of the salary and benefits of one 1.00 full time equivalent permanent position, along with the operating budget for the State Commission. The federal funds require a non-federal match of a maximum of 50% beginning with the 2005 -2007 biennium. This non-federal match will be leveraged by using the State General Funds salary appropriation included in the budget for the Workforce Development Division and the North Dakota Workforce Development Council.

Staff:

- 100% Federal and State Funds

Operations Budget:

- 100% Federal Funds

State Commission Program Development Assistance and Training (PDAT):

States receive federal Program Development Assistance and Training (PDAT) funds to support building capacity and infrastructure consistent with Administrative Standard Eight, *Implementing Training and Technical Assistance*, and the *Characteristics of a Successful Training and Technical Assistance Program*, established by the Corporation for National and Community Service. The Program Development Assistance and Training activities must be consistent with these guidelines provided by the Corporation for National and Community Service and with the State Commission's Administrative Plan. PDAT funds are the principal resource available to Commissions for enhancing and sustaining high quality, effectively-functioning AmeriCorps\*State and National service programs.

Federal funds provide 100% of the salary and benefits of one .50 full time equivalent temporary hourly position, along with the operating budget. No non-federal match is required.

Staff:

- 100% Federal Funds

Operations Budget:

- 100% Federal Funds

State Commission Disability Placement:

The federal Disability Placement Funds which are available to State Commissions are for the placement, reasonable accommodation, and auxiliary services for members and potential members with disabilities, serving in AmeriCorps\*State and AmeriCorps\*National Direct programs.

Federal funds provide 100% of the salary and benefits for a temporary hourly position, along with the operating budget. No non-federal match is required.

Staff:

- 100% Federal Funds

Operations Budget:

- 100% Federal Funds

State Commission AmeriCorps\*State Formula Funds:

The federal AmeriCorps\*State Formula funds which are available to the State Commission are for sub grant awards to nonprofits, community based, faith-based, state and local government agencies to conduct allowable community service activities under AmeriCorps funded programs. No non-federal match is required.

Operations Budget:

- 100% Federal Funds (Sub Grantee Contracts)

**REQUEST DETAIL BY PROGRAM****601 DEPT OF COMMERCE****Biennium: 2007-2009****Bill#: HB1018****Date: 12/13/2006****Time: 12:08:01**

<b>Program: ND WORKFORCE DEVELOPMENT</b>		<b>Reporting Level: 00-601-400-00-00-00-00000000</b>			
Description	Expenditures 2003-2005 Biennium	Present Budget 2005-2007	Budget Request Change	Requested Budget 2007-2009 Biennium	Optional Request 2007-2009
<b>SALARIES AND WAGES</b>					
SALARIES - PERMANENT	247,954	321,388	-31,108	290,280	0
SALARIES - OTHER	62,289	58,856	-58,856	0	0
TEMPORARY SALARIES	0	0	39,936	39,936	0
FRINGE BENEFITS	82,184	104,687	-10,493	94,194	0
<b>TOTAL</b>	<b>392,427</b>	<b>484,931</b>	<b>-60,521</b>	<b>424,410</b>	<b>0</b>
<b>SALARIES AND WAGES</b>					
GENERAL FUND	101,052	158,075	8,961	167,036	134,794
FEDERAL FUNDS	291,375	326,856	-69,482	257,374	-134,794
SPECIAL FUNDS	0	0	0	0	0
<b>TOTAL</b>	<b>392,427</b>	<b>484,931</b>	<b>-60,521</b>	<b>424,410</b>	<b>0</b>
<b>OPERATING EXPENSES</b>					
TRAVEL	65,430	110,000	70,729	180,729	10,000
SUPPLIES - IT SOFTWARE	1,951	2,400	350	2,750	0
SUPPLY/MATERIAL-PROFESSIONAL	2,056	3,200	0	3,200	0
FOOD AND CLOTHING	48	0	0	0	0
MISCELLANEOUS SUPPLIES	60	3,500	0	3,500	0
OFFICE SUPPLIES	5,252	3,700	-100	3,600	0
POSTAGE	6,591	7,300	-2,000	5,300	0
PRINTING	5,080	8,600	0	8,600	0
IT EQUIP UNDER \$5,000	1,100	7,000	-1,000	6,000	0
OTHER EQUIP UNDER \$5,000	12	4,000	-2,000	2,000	0
OFFICE EQUIP & FURN SUPPLIES	614	3,500	-3,500	0	0
INSURANCE	0	447	0	447	0
RENTALS/LEASES-EQUIP & OTHER	764	1,000	-200	800	0
RENTALS/LEASES - BLDG/LAND	27,543	31,904	-3,000	28,904	0
REPAIRS	395	800	200	1,000	0
IT - DATA PROCESSING	8,572	6,931	-700	6,231	0
IT-COMMUNICATIONS	8,928	10,525	-400	10,125	0
IT CONTRACTUAL SERVICES AND RE	0	3,000	25,000	28,000	0
PROFESSIONAL DEVELOPMENT	32,512	44,500	-10,000	34,500	0
OPERATING FEES AND SERVICES	174,459	310,243	-134,600	175,643	0
FEES - PROFESSIONAL SERVICES	1,625	221,603	-28,000	193,603	0
<b>TOTAL</b>	<b>342,992</b>	<b>784,153</b>	<b>-89,221</b>	<b>694,932</b>	<b>10,000</b>

**REQUEST DETAIL BY PROGRAM**

601 DEPT OF COMMERCE

Biennium: 2007-2009

Bill#: HB1018

Date: 12/13/2006

Time: 12:08:01

Program: ND WORKFORCE DEVELOPMENT		Reporting Level: 00-601-400-00-00-00-00000000			
Description	Expenditures 2003-2005 Biennium	Present Budget 2005-2007	Budget Request Change	Requested Budget 2007-2009 Biennium	Optional Request 2007-2009
<b>OPERATING EXPENSES</b>					
GENERAL FUND	123,514	155,654	0	155,654	10,000
FEDERAL FUNDS	219,478	428,499	10,779	439,278	0
SPECIAL FUNDS	0	200,000	-100,000	100,000	0
<b>TOTAL</b>	<b>342,992</b>	<b>784,153</b>	<b>-89,221</b>	<b>694,932</b>	<b>10,000</b>
<b>GRANTS</b>					
GRANTS, BENEFITS & CLAIMS	1,142,898	1,623,122	-623,122	1,000,000	0
<b>TOTAL</b>	<b>1,142,898</b>	<b>1,623,122</b>	<b>-623,122</b>	<b>1,000,000</b>	<b>0</b>
<b>GRANTS</b>					
GENERAL FUND	0	0	0	0	0
FEDERAL FUNDS	1,142,898	1,623,122	-623,122	1,000,000	0
SPECIAL FUNDS	0	0	0	0	0
<b>TOTAL</b>	<b>1,142,898</b>	<b>1,623,122</b>	<b>-623,122</b>	<b>1,000,000</b>	<b>0</b>
<b>PROGRAM FUNDING SOURCES</b>					
GENERAL FUND	224,566	313,729	8,961	322,690	144,794
FEDERAL FUNDS	1,653,751	2,378,477	-681,825	1,696,652	-134,794
SPECIAL FUNDS	0	200,000	-100,000	100,000	0
<b>PROGRAM FUNDING TOTAL</b>	<b>1,878,317</b>	<b>2,892,206</b>	<b>-772,864</b>	<b>2,119,342</b>	<b>10,000</b>
<b>FTE EMPLOYEES</b>	<b>3.00</b>	<b>3.00</b>	<b>.00</b>	<b>3.00</b>	<b>.00</b>
<b>FUNDING DETAIL</b>					
<b>GENERAL FUND</b>	<b>224,566</b>	<b>313,729</b>	<b>8,961</b>	<b>322,690</b>	<b>144,794</b>
<b>FEDERAL FUNDS</b>					
A024 RURAL BUSINESS ENTERPRISE AG DEPT	0	0	0	0	0
A048 WORKFORCE DEVELOPMENT	140,983	215,505	-8,077	207,428	0
A057 NDHRTST	896,799	700,000	-700,000	0	0
A060 WFD NDCNCS	615,969	1,462,972	26,252	1,489,224	-134,794
<b>TOTAL</b>	<b>1,653,751</b>	<b>2,378,477</b>	<b>-681,825</b>	<b>1,696,652</b>	<b>-134,794</b>

**REQUEST DETAIL BY PROGRAM**

**601 DEPT OF COMMERCE**  
**Biennium: 2007-2009**

**Bill#: HB1018**

**Date: 12/13/2006**  
**Time: 12:08:01**

Program: ND WORKFORCE DEVELOPMENT		Reporting Level: 00-601-400-00-00-00-00000000			
Description	Expenditures 2003-2005 Biennium	Present Budget 2005-2007	Budget Request Change	Requested Budget 2007-2009 Biennium	Optional Request 2007-2009

<b>SPECIAL FUNDS</b>					
330 ECONOMIC DEV. FUND 330	0	200,000	-100,000	100,000	0
<b>TOTAL</b>	<b>0</b>	<b>200,000</b>	<b>-100,000</b>	<b>100,000</b>	<b>0</b>



**CHANGE PACKAGE DETAIL****601 DEPT OF COMMERCE****Biennium: 2007-2009****Bill#: HB1018****Date: 12/13/2006****Time: 12:08:01**

PROGRAM: ND WORKFORCE DEVELOPMENT		REPORTING LEVEL: 00-601-400-00-00-00-00-00000000			
Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds

**AGENCY BUDGET CHANGES**

Cost To Continue	.00	8,961	-69,482	0	-60,521
1 Miscellaneous Changes	.00	0	64,779	0	64,779
2 Operation Changes	.00	0	-38,000	-100,000	-138,000
3 Program Changes	.00	0	-639,122	0	-639,122
<b>Agency Total</b>	<b>.00</b>	<b>8,961</b>	<b>-681,825</b>	<b>-100,000</b>	<b>-772,864</b>

**OPTIONAL REQUEST**

5 Workforce Development Division	.00	144,794	-134,794	0	10,000
<b>Optional Total</b>	<b>.00</b>	<b>144,794</b>	<b>-134,794</b>	<b>0</b>	<b>10,000</b>

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## PROGRAM NARRATIVE

601 DEPT OF COMMERCE

Date: 12/13/2006

Time: 12:08:01

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<b>Program:</b> ECONOMIC DEVELOPMENT AND FINANCE	<b>Reporting Level:</b> 00-601-500-00-00-00-00000000
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## PROGRAM PERFORMANCE MEASURES

The program is measured by the following benchmarks according to ND strategic plan.

1. Develop unified efforts for economic development based on collaboration and accountability:
  - a. Site selection ranking of the North Dakota Department of Commerce.
  - b. Share of local economic development organizations participating in statewide marketing strategy.
2. Strengthen cooperation between the University System, economic development organizations, and private businesses:
  - a. Academic research and development expenditures as percentage of gross state product.
  - b. Industry research and development expenditures as percentage of gross state product.
3. Create quality jobs that retain North Dakota's workforce and attract new high-skilled labor:
  - a. Net job growth.
  - b. New private sector businesses per one hundred thousand residents.
  - c. Average annual wage.
  - d. Net migration.
4. Create a strong marketing image that builds on the state's numerous strengths, including workforce, education, and quality of life:
  - a. Positive national and out-of-state media exposure (favorable mentions).
  - b. Number of North Dakota Department of Commerce web site hits per month.
  - c. Number of leads generated by the North Dakota Department of Commerce.
5. Accelerate job growth in sustainable, diversified industry clusters to provide opportunities for the state's economy:
  - a. Net job growth in manufacturing.
  - b. Net job growth in business services.
  - c. New private sector businesses in manufacturing.
  - d. New private sector businesses in business services.
  - e. Number of utility patents per one hundred thousand residents.
6. Strengthen North Dakota's business climate to increase international competitiveness:
  - a. Gross state product (annual growth rate).
  - b. Venture capital investments (thousands).
  - c. Merchandise export value (per capita).

## PROGRAM STATISTICAL DATA

Program Statistical Data for the 03-05 Biennium - Data for the first 18 months of the 05-07 biennium will be provided during the legislative session

### APUC

The Agricultural Products Utilization Commission has supported 72 value added projects for a total \$1,603,360.

### BUSINESS DEVELOPMENT

The division of Economic Development & Finance in partnership with local communities has assisted in the recruitment and expansion of 15 companies and value added projects.

### CENTER FOR TECHNOLOGY & BUSINESS

Since its inception, the Center for Technology & Business has trained over 17,000 adult students from 203 communities at 68 training sites in North Dakota. Projects included technology equipment upgrades for 100 small rural businesses and 115 innovative home-based jobs with benefits.

### DEVELOPMENT FUND

The North Dakota Development Fund invested \$7.3 million in 75 projects. Of the 75 projects involving 65 “Primary Sector” businesses, 30 were start-up companies with 20 located in rural communities in North Dakota.

### MANUFACTURING EXTENSION PARTNERSHIP

Dakota Manufacturing Extension Partnership (Dakota MEP) is the preferred manufacturing partner. They are part of a unique, national public/private partnership with local offices in North Dakota. This local access gives their partner clients quick, cost-effective solutions to their manufacturing challenges. There have been about 200 manufacturers served by the North Dakota MEP program.

Companies partner with Dakota MEP to maximize their performance. Those that partner with the MEP realize net revenue per employee of \$2,334 versus \$508 for those companies not partnering with MEP. The average benefits and impacts reported by companies partnering with the Dakota MEP in improvements are; (1) Sales (new and/or retained) of \$766,000, (2) Cost savings of \$511,000, (3) Investment in Modernization of \$383,000 and (4) Jobs (new and/or retained) of 9.5. MEP’s emphasis is on keeping our manufacturers productive, competitive and profitable in an age of increasing global competition, rather than in job creation.

### NORTH DAKOTA TRADE OFFICE

Since the inception, the NDTO has expanded trade volume to \$1.2 billion, conducted 5 Trade Missions, created a network of over 100 exporter service providers and built a network of over 400 exporters. ND exports are growing at 18% annually and NDTO members’ exports are growing 35% annually.

### RURAL DEVELOPMENT COUNCIL

The Rural Development Council has coordinated with state, federal and local housing organizations to help address the critical need for housing in North Dakota, the development of rural childcare and is helping our senior citizens access Medicare Part D.

### SMALL BUSINESS DEVELOPMENT CENTER

The SBDC has assisted startups in creating 350 FTE jobs and accessing over \$24.5 million in loans and investments and assisted existing business in accessing \$29.7 million in loans and investments and created or retained 546 FTE jobs in existing businesses.

## **EXPLANATION OF PROGRAM COSTS**

The ED&F budget is made up of approximately 63% general funds, 6% federal funds and 31% special funds. ED&F uses approximately 23% of these funds for salary and wages, 22% for operating costs and the remainder is expended for granting and partner programs.

The Dakota Manufacturing Extension Partnership, Center for Technology and Business, the Rural Development Council, the ND Small Businesses Development Centers and the ND Trade Office cover their own operating expenses with pass-through funding from Economic Development and Finance.

Special funds provide support for research services, including community services and labor studies, private sector participation in business trade shows, businesses service fees, funding of the ND Trade Office, and Economic Development Initiatives. The gas tax refunds that support APUC are also provided for through special funds.

## **PROGRAM GOALS AND OBJECTIVES**

The division provides strategic direction and technical assistance to stimulate and support local economic growth and diversity and position ND in a global economy. This objective assists in improving economic prosperity; income of North Dakota workers and maintaining a competitive business climate.

**REQUEST DETAIL BY PROGRAM****601 DEPT OF COMMERCE****Biennium: 2007-2009****Bill#: HB1018****Date: 12/13/2006****Time: 12:08:01**

<b>Program: ECONOMIC DEVELOPMENT AND FINANCE</b>		<b>Reporting Level: 00-601-500-00-00-00-00000000</b>			
Description	Expenditures 2003-2005 Biennium	Present Budget 2005-2007	Budget Request Change	Requested Budget 2007-2009 Biennium	Optional Request 2007-2009
<b>SALARIES AND WAGES</b>					
SALARIES - PERMANENT	1,518,550	1,934,113	-553,941	1,380,172	180,552
SALARIES - OTHER	16,166	51,251	-51,251	0	0
FRINGE BENEFITS	439,362	650,288	-246,278	404,010	57,958
SALARY INCREASE	0	0	0	0	0
BENEFIT INCREASE	0	0	0	0	0
<b>TOTAL</b>	<b>1,974,078</b>	<b>2,635,652</b>	<b>-851,470</b>	<b>1,784,182</b>	<b>238,510</b>
<b>SALARIES AND WAGES</b>					
GENERAL FUND	1,490,551	1,934,729	-670,975	1,263,754	238,510
FEDERAL FUNDS	65,322	150,004	-150,004	0	0
SPECIAL FUNDS	418,205	550,919	-30,491	520,428	0
<b>TOTAL</b>	<b>1,974,078</b>	<b>2,635,652</b>	<b>-851,470</b>	<b>1,784,182</b>	<b>238,510</b>
<b>OPERATING EXPENSES</b>					
TRAVEL	252,578	291,361	-21,607	269,754	0
SUPPLIES - IT SOFTWARE	9,504	9,000	1,300	10,300	0
SUPPLY/MATERIAL-PROFESSIONAL	50,415	84,571	-4,571	80,000	0
BLDG, GROUND, MAINTENANCE	72	0	200	200	0
MISCELLANEOUS SUPPLIES	4,602	10,000	1,500	11,500	0
OFFICE SUPPLIES	11,928	7,500	-2,500	5,000	0
POSTAGE	15,943	18,900	1,100	20,000	0
PRINTING	5,446	11,700	-5,700	6,000	0
IT EQUIP UNDER \$5,000	22,162	0	5,560	5,560	0
OTHER EQUIP UNDER \$5,000	1,651	10,000	-10,000	0	0
OFFICE EQUIP & FURN SUPPLIES	2,100	8,000	-8,000	0	0
INSURANCE	6,446	5,000	-3,072	1,928	0
RENTALS/LEASES-EQUIP & OTHER	1,972	5,500	-2,500	3,000	0
RENTALS/LEASES - BLDG/LAND	98,381	102,966	21,058	124,024	0
REPAIRS	1,888	0	2,000	2,000	0
IT - DATA PROCESSING	34,922	43,835	-2,735	41,100	0
IT-COMMUNICATIONS	26,126	24,767	2,733	27,500	0
IT CONTRACTUAL SERVICES AND RE	36,029	43,520	20,000	63,520	0
PROFESSIONAL DEVELOPMENT	67,855	94,429	-9,993	84,436	0
OPERATING FEES AND SERVICES	306,970	345,151	-149,062	196,089	0
FEES - PROFESSIONAL SERVICES	643,476	736,209	14,713	750,922	210,899
<b>TOTAL</b>	<b>1,600,466</b>	<b>1,852,409</b>	<b>-149,576</b>	<b>1,702,833</b>	<b>210,899</b>

**REQUEST DETAIL BY PROGRAM****601 DEPT OF COMMERCE****Biennium: 2007-2009****Bill#: HB1018****Date: 12/13/2006****Time: 12:08:01**

Program: ECONOMIC DEVELOPMENT AND FINANCE		Reporting Level: 00-601-500-00-00-00-00000000			
Description	Expenditures 2003-2005 Biennium	Present Budget 2005-2007	Budget Request Change	Requested Budget 2007-2009 Biennium	Optional Request 2007-2009

**OPERATING EXPENSES**

GENERAL FUND	1,581,023	1,733,453	-59,191	1,674,262	210,899
FEDERAL FUNDS	15,412	84,850	-84,850	0	0
SPECIAL FUNDS	4,031	34,106	-5,535	28,571	0
<b>TOTAL</b>	<b>1,600,466</b>	<b>1,852,409</b>	<b>-149,576</b>	<b>1,702,833</b>	<b>210,899</b>

**ND DEVELOPMENT FUND**

GRANTS, BENEFITS & CLAIMS	1,550,000	0	0	0	5,000,000
<b>TOTAL</b>	<b>1,550,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,000,000</b>

**ND DEVELOPMENT FUND**

GENERAL FUND	1,550,000	0	0	0	5,000,000
FEDERAL FUNDS	0	0	0	0	0
SPECIAL FUNDS	0	0	0	0	0
<b>TOTAL</b>	<b>1,550,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,000,000</b>

**ECONOMIC DEVELOP INITIATIVES**

TRAVEL	0	500	-500	0	0
IT CONTRACTUAL SERVICES AND RE	0	10,000	-10,000	0	0
PROFESSIONAL DEVELOPMENT	0	2,000	-2,000	0	0
OPERATING FEES AND SERVICES	0	632,068	-95,222	536,846	0
SPECIAL LINE OTHER	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>644,568</b>	<b>-107,722</b>	<b>536,846</b>	<b>0</b>

**ECONOMIC DEVELOP INITIATIVES**

GENERAL FUND	0	394,568	-107,722	286,846	0
FEDERAL FUNDS	0	0	0	0	0
SPECIAL FUNDS	0	250,000	0	250,000	0
<b>TOTAL</b>	<b>0</b>	<b>644,568</b>	<b>-107,722</b>	<b>536,846</b>	<b>0</b>

**SPECIAL LINES**

AGRIC. PRODUCTS UTIL. COMM. (APUC)	2,537,173	4,108,503	-1,317,503	2,791,000	0
ECONOMIC DEVELOPMENT GRANTS	0	150,000	-100,000	50,000	0
ND TRADE OFFICE	0	700,000	40,000	740,000	660,000
<b>TOTAL</b>	<b>2,537,173</b>	<b>4,958,503</b>	<b>-1,377,503</b>	<b>3,581,000</b>	<b>660,000</b>

**REQUEST DETAIL BY PROGRAM**

601 DEPT OF COMMERCE

Biennium: 2007-2009

Bill#: HB1018

Date: 12/13/2006

Time: 12:08:01

Program: ECONOMIC DEVELOPMENT AND FINANCE		Reporting Level: 00-601-500-00-00-00-00000000			
Description	Expenditures 2003-2005 Biennium	Present Budget 2005-2007	Budget Request Change	Requested Budget 2007-2009 Biennium	Optional Request 2007-2009
<b>SPECIAL LINES</b>					
GENERAL FUND	1,341,638	1,968,939	-474,017	1,494,922	660,000
FEDERAL FUNDS	462,303	650,000	-150,000	500,000	0
SPECIAL FUNDS	733,232	2,339,564	-753,486	1,586,078	0
<b>TOTAL</b>	<b>2,537,173</b>	<b>4,958,503</b>	<b>-1,377,503</b>	<b>3,581,000</b>	<b>660,000</b>
<b>PROGRAM FUNDING SOURCES</b>					
SPECIAL FUNDS	1,155,468	3,174,589	-789,512	2,385,077	0
GENERAL FUND	5,963,212	6,031,689	-1,311,905	4,719,784	6,109,409
FEDERAL FUNDS	543,037	884,854	-384,854	500,000	0
<b>PROGRAM FUNDING TOTAL</b>	<b>7,661,717</b>	<b>10,091,132</b>	<b>-2,486,271</b>	<b>7,604,861</b>	<b>6,109,409</b>
<b>FTE EMPLOYEES</b>	<b>18.00</b>	<b>16.50</b>	<b>-1.00</b>	<b>15.50</b>	<b>2.00</b>
<b>FUNDING DETAIL</b>					
<b>GENERAL FUND</b>	<b>5,963,212</b>	<b>6,031,689</b>	<b>-1,311,905</b>	<b>4,719,784</b>	<b>6,109,409</b>
<b>FEDERAL FUNDS</b>					
A034 STATE RURAL DEVELOPMENT COUNCIL	80,734	234,854	-234,854	0	0
A053 APUC RURAL BUSINESS ENTERP. GRANTS	99,838	0	0	0	0
A056 VAAPB 2002	33,549	0	0	0	0
A058 USDA PSCA 2002	328,916	500,000	0	500,000	0
AO55 ANIMAL ID Program	0	150,000	-150,000	0	0
<b>TOTAL</b>	<b>543,037</b>	<b>884,854</b>	<b>-384,854</b>	<b>500,000</b>	<b>0</b>
<b>SPECIAL FUNDS</b>					
224 ALCOHOL MOTOR VEHICLE FUEL FUND 224	733,232	1,639,564	-793,486	846,078	0
330 ECONOMIC DEV. FUND 330	422,236	1,535,025	3,974	1,538,999	0
<b>TOTAL</b>	<b>1,155,468</b>	<b>3,174,589</b>	<b>-789,512</b>	<b>2,385,077</b>	<b>0</b>

**CHANGE PACKAGE DETAIL****601 DEPT OF COMMERCE****Biennium: 2007-2009****Bill#: HB1018****Date: 12/13/2006****Time: 12:08:01**

PROGRAM: ECONOMIC DEVELOPMENT AND FINANCE		REPORTING LEVEL: 00-601-500-00-00-00-00000000			
Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds

**AGENCY BUDGET CHANGES**

Cost To Continue	-1.00	-657,943	-150,004	-30,491	-838,438
1 Miscellaneous Changes	.00	-45,986	0	0	-45,986
2 Operation Changes	.00	180,048	-84,850	-5,535	89,663
3 Program Changes	.00	-414,006	-150,000	-35,000	-599,006
4 Carryover & One-Time Appropriation Adjustment	.00	-374,018	0	-718,486	-1,092,504
<b>Agency Total</b>	<b>-1.00</b>	<b>-1,311,905</b>	<b>-384,854</b>	<b>-789,512</b>	<b>-2,486,271</b>

**OPTIONAL REQUEST**

1 Research Analyst	1.00	103,408	0	0	103,408
2 Business Development Specialist	1.00	135,102	0	0	135,102
4 Dakota MEP	.00	210,899	0	0	210,899
7 Development Fund	.00	5,000,000	0	0	5,000,000
12 ND Trade Office	.00	660,000	0	0	660,000
<b>Optional Total</b>	<b>2.00</b>	<b>6,109,409</b>	<b>0</b>	<b>0</b>	<b>6,109,409</b>



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## PROGRAM NARRATIVE

601 DEPT OF COMMERCE

Date: 12/13/2006

Time: 12:08:01

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Program: DIVISION OF COMMUNITY SERVICES	Reporting Level: 00-601-600-00-00-00-00000000
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## PROGRAM PERFORMANCE MEASURES

- 1) Timely distribution of community development program funds in accordance with Housing and Urban Development guidelines.
- 2) Timely distribution of energy program funds in accordance with Department of Energy guidelines.
- 3) Timely distribution of self sufficiency program funds in accordance with Health and Human Services guidelines.
- 4) Increase the number of Renaissance Zones in the state.
- 5) Enhance the quality of site built, manufactured and modular structures in North Dakota through training and program implementation.

## PROGRAM STATISTICAL DATA

Services provided by the Division of Community Services are organized into the three major program areas of Community Development, Energy Efficiency, & Self-sufficiency.

### Community Development

- 123 HOME rental units assisted, creating a total of 213 affordable rental units.
- 122 Homes Rehabilitated through HOME assistance.
- 375 Families provided with home ownership assistance from the HOME program.
- 1277 Families provided with security deposits for rental units from the HOME Program
- 640 Jobs created through Community Development Block Grant funding provided to economic development projects.
- 25 Homeless shelters funded through the ESGP program.
- 46 Economic Development projects funded.
- 72 Public facilities funded.
- 11 Housing Projects funded.

### Energy Efficiency and Renewable Energy

In the past two years ending June 30, 2006:

- 2,526 homes throughout North Dakota received Weatherization assistance;
- 2169 households received heating & cooling repair or replacement services;
- North Dakota's Weatherization program received national recognition for its training and program standards manual;
- Training on energy efficient construction practices was provided to 22 vocational education building trades programs each year through a contract with the ND Association of Home Builders;

- 10 residential energy efficiency workshops were conducted in towns across the state in partnership with Montana-Dakota Utilities Co. and Xcel Energy;
- An application was submitted to DOE and approved for a pilot two-year EnergySmart Schools program involving the Bismarck School District;
- The Energy Star display booth was used in two Home & Garden shows in Bismarck and one in Minot, and at the State Fair in Minot. Local lighting vendors provided energy efficient lamps and fixtures for the display;
- Three state agencies and the North Dakota Cowboy Hall of Fame were awarded grant funds for energy efficiency improvements or energy audits of their facilities;
- Training programs on HVAC controls were provided to state agency physical plant personnel;
- Grants were awarded to Xcel Energy for a program to promote Energy Star programmable thermostats, and to Montana-Dakota Utilities Co. for a program to promote Energy Star high efficiency central air conditioning;
- Successful energy efficient residential construction projects were completed with the Bismarck State College carpentry program and Affordable Housing Developers, Inc. The BSC home was included in the Bismarck-Mandan Home Builders Parade of Homes and attracted several hundred visitors;
- A grant was awarded to LM Glasfiber, a manufacturer of wind turbine blades in Grand Forks, for an energy audit in conjunction with their proposed renovation and expansion;
- Grants were provided toward the purchase of alternative fuel vehicles to an additional five state agencies. Most were used towards the purchase of GEM neighborhood electric vehicles manufactured in North Dakota;
- Educational materials from the State Energy Program were provided to approximately 130 teachers throughout North Dakota, reaching 3,000 students;
- The State Energy Program also provided North Dakota citizens with over 3,500 energy efficiency and renewable energy materials; and
- An additional 15 sites in North Dakota undertook wind resource monitoring programs through matching grants to local development corporations or through the DOE supported Anemometer Loan Program.

#### Self Sufficiency

- 6500 Instances of self sufficiency and case management services were provided by the seven Community Action Agencies.

#### Governmental & Technical Assistance

- Renaissance Zone program: During the 2003 biennium, nine cities received a Renaissance Zone designation. From the beginning of the 2005 biennium through June 2006, seven cities received a Renaissance Zone designation. Our goal was to designate five Renaissance Zone during each biennium. For the 2007 biennium, our goal is to designate at least five new Renaissance Zones.
- State Building Code program: During the 2003 biennium, our goal was to update the State Building Code to the 2003 International Codes and to provide assistance to the North Dakota Building Code Officials Association in conducting at least three training sessions. The State Building Code was updated effective October 1, 2004 and we provided assistance for four training sessions. During the 2005 biennium, our goal was to begin the process of updating the State Building Code to the 2006 International Codes and to assist in providing four training sessions. The code updating process is scheduled to begin in the Fall of 2006, and through June 2006, we assisted in providing one training session. In October 2005, we were scheduled to assist with a training session, but it was cancelled due to a snowstorm.
- Third-party Inspections program: Our goal was to begin the program during the 2003 biennium. The program began on August 1, 2003, as part of an Interstate Compact called the Industrialized Buildings Commission. The arrangement was developed because no staff or funds were authorized by the Legislature. The goal of the program is to assure that modular residential and commercial buildings built by manufacturers subject to the program and sited anywhere in North Dakota, are built to comply with the State Building Code, State Plumbing Code, and State Wiring Standards. The program has proved to be very successful and the code violations that have been identified have been corrected by the manufacturers. For the 2007 biennium, the goal is to continue to try making sure that no code violations occur, and if there are any, they are quickly identified and corrected.
- Manufactured Home Installation program: The goal during the 2003-2005 and 2005-2007 bienniums was to identify a model installation program from which to design North Dakota's program. Since the Legislature did not authorize staff or funding, the main concern was to find a program with similar limited state resources. The State of Colorado's program was selected, in coordination with the North Dakota Manufactured Housing Association, the North Dakota Building Officials Association, and the North Dakota League of Cities. The program is codified in Article 108-03 of the Administrative Code. The program was to begin on July 1, 2006, but was extended to August 1, 2006, due to delays by the federal government in finalizing the minimum standards for installation, and limited staff time due to commitments with other programs. For the 2007 biennium, the goals are to review the first year of operation and to determine if changes are necessary to improve the delivery of the program, recruit more certified inspectors, conduct at least two training sessions, and to assure that any installation problems are quickly corrected.

## **EXPLANATION OF PROGRAM COSTS**

Approximately ninety-three (93%) percent of the funds requested in the DCS budget are passed on to sub-recipient grantee agencies. The remaining seven (7%) percent is used for salaries, fringe, and operating expenses. Over ninety-eight (98%) percent of the divisions budget is from federal and other sources and are subject to federal and other judicially imposed regulations. It is necessary that DCS maintain a programmatic and administrative staff to ensure compliance with those regulations and to account for the numerous grants and sources of funds.

Two (2%) percent of the DCS budget request is for general funds. These funds are used for administering state programs and to meet the matching requirements imposed by some federal sources.

DCS's budget request includes funds to maintain the divisions IT support. This past biennium, DCS continued the implementation of an electronic document management system (EDMS) hosted by ITD. Efforts are continuing to input existing CDBG documents and records on to the system in order to reduce space and provide for quicker access to sub-grantee records at a reduced cost. This will be expanded to other program within the division.

In addition DCS continues the successful implementation of the HOMENet system which is a Web based program where clients can submit required reports and request funds electronically. This allows for requests for funds to be processed more quickly & accurately and reduces duplication of reports while creating a better tracking for HOME program projects. The system has reduced work and prep time for clients administering HOME projects. This biennium, upgrades relating to final report preparation and historical clearance pages are planned which will create greater efficiencies and will reduce burdensome paperwork.

Plans to implement a system similar system to HOMENet for the federal CDBG program were explored with ITD but the cost to add this system was too expensive to implement given available administrative funds.

## **PROGRAM GOALS AND OBJECTIVES**

The Division of Community Services' mission is "To provide the people of North Dakota with effective, efficient, and customer oriented administration of Federal and State programs for Community Development; Energy Efficiency & Renewable Energy; Housing; Self-Sufficiency; and Governmental & Technical Assistance."

**REQUEST DETAIL BY PROGRAM****601 DEPT OF COMMERCE****Biennium: 2007-2009****Bill#: HB1018****Date: 12/13/2006****Time: 12:08:01**

<b>Program: DIVISION OF COMMUNITY SERVICES</b>		<b>Reporting Level: 00-601-600-00-00-00-00000000</b>			
Description	Expenditures 2003-2005 Biennium	Present Budget 2005-2007	Budget Request Change	Requested Budget 2007-2009 Biennium	Optional Request 2007-2009
<b>SALARIES AND WAGES</b>					
SALARIES - PERMANENT	1,596,103	1,675,615	114,519	1,790,134	0
SALARIES - OTHER	8,254	8,311	-8,311	0	0
FRINGE BENEFITS	481,269	505,054	48,460	553,514	0
SALARY INCREASE	0	0	0	0	0
BENEFIT INCREASE	0	0	0	0	0
<b>TOTAL</b>	<b>2,085,626</b>	<b>2,188,980</b>	<b>154,668</b>	<b>2,343,648</b>	<b>0</b>
<b>SALARIES AND WAGES</b>					
GENERAL FUND	712,775	708,294	122,212	830,506	0
FEDERAL FUNDS	1,270,423	1,396,216	28,634	1,424,850	0
SPECIAL FUNDS	102,428	84,470	3,822	88,292	0
<b>TOTAL</b>	<b>2,085,626</b>	<b>2,188,980</b>	<b>154,668</b>	<b>2,343,648</b>	<b>0</b>
<b>OPERATING EXPENSES</b>					
TRAVEL	146,088	252,326	15,448	267,774	0
SUPPLIES - IT SOFTWARE	7,242	22,250	4,550	26,800	0
SUPPLY/MATERIAL-PROFESSIONAL	15,490	38,895	1,350	40,245	0
MISCELLANEOUS SUPPLIES	5,129	66,370	-66,120	250	0
OFFICE SUPPLIES	4,043	11,350	1,950	13,300	0
POSTAGE	16,416	14,760	1,140	15,900	0
PRINTING	26,147	50,100	-5,500	44,600	0
IT EQUIP UNDER \$5,000	11,081	0	16,340	16,340	0
OTHER EQUIP UNDER \$5,000	1,002	0	0	0	0
OFFICE EQUIP & FURN SUPPLIES	5,507	3,500	51,985	55,485	0
UTILITIES	332	0	0	0	0
INSURANCE	1,380	2,500	2,700	5,200	0
RENTALS/LEASES-EQUIP & OTHER	4,781	15,000	5,000	20,000	0
RENTALS/LEASES - BLDG/LAND	61,730	108,679	1,547	110,226	0
REPAIRS	436	4,000	-2,000	2,000	0
IT - DATA PROCESSING	37,944	85,906	-10,300	75,606	0
IT-COMMUNICATIONS	15,183	31,000	-3,800	27,200	0
IT CONTRACTUAL SERVICES AND RE	0	0	23,000	23,000	0
PROFESSIONAL DEVELOPMENT	86,582	120,200	46,545	166,745	0
OPERATING FEES AND SERVICES	275,398	65,200	30,221	95,421	0
FEES - PROFESSIONAL SERVICES	697,748	593,232	596,541	1,189,773	0
<b>TOTAL</b>	<b>1,419,659</b>	<b>1,485,268</b>	<b>710,597</b>	<b>2,195,865</b>	<b>0</b>

**REQUEST DETAIL BY PROGRAM**

601 DEPT OF COMMERCE

Biennium: 2007-2009

Bill#: HB1018

Date: 12/13/2006

Time: 12:08:01

Program: DIVISION OF COMMUNITY SERVICES		Reporting Level: 00-601-600-00-00-00-00000000			
Description	Expenditures 2003-2005 Biennium	Present Budget 2005-2007	Budget Request Change	Requested Budget 2007-2009 Biennium	Optional Request 2007-2009

**OPERATING EXPENSES**

GENERAL FUND	276,382	342,160	-1	342,159	0
FEDERAL FUNDS	627,485	1,108,864	143,348	1,252,212	0
SPECIAL FUNDS	515,792	34,244	567,250	601,494	0
<b>TOTAL</b>	<b>1,419,659</b>	<b>1,485,268</b>	<b>710,597</b>	<b>2,195,865</b>	<b>0</b>

**CAPITAL ASSETS**

EQUIPMENT OVER \$5000	0	25,000	0	25,000	0
<b>TOTAL</b>	<b>0</b>	<b>25,000</b>	<b>0</b>	<b>25,000</b>	<b>0</b>

**CAPITAL ASSETS**

GENERAL FUND	0	0	0	0	0
FEDERAL FUNDS	0	25,000	0	25,000	0
SPECIAL FUNDS	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>25,000</b>	<b>0</b>	<b>25,000</b>	<b>0</b>

**GRANTS**

GRANTS, BENEFITS & CLAIMS	39,949,854	47,955,748	-1,155,000	46,800,748	3,000,000
TRANSFERS OUT	783,937	414,000	0	414,000	0
<b>TOTAL</b>	<b>40,733,791</b>	<b>48,369,748</b>	<b>-1,155,000</b>	<b>47,214,748</b>	<b>3,000,000</b>

**GRANTS**

GENERAL FUND	40,000	71,579	0	71,579	0
FEDERAL FUNDS	36,310,580	41,894,169	-1,450,000	40,444,169	0
SPECIAL FUNDS	4,383,211	6,404,000	295,000	6,699,000	3,000,000
<b>TOTAL</b>	<b>40,733,791</b>	<b>48,369,748</b>	<b>-1,155,000</b>	<b>47,214,748</b>	<b>3,000,000</b>

**PROGRAM FUNDING SOURCES**

GENERAL FUND	1,029,157	1,122,033	122,211	1,244,244	0
SPECIAL FUNDS	5,001,431	6,522,714	866,072	7,388,786	3,000,000
FEDERAL FUNDS	38,208,488	44,424,249	-1,278,018	43,146,231	0
<b>PROGRAM FUNDING TOTAL</b>	<b>44,239,076</b>	<b>52,068,996</b>	<b>-289,735</b>	<b>51,779,261</b>	<b>3,000,000</b>

**FTE EMPLOYEES**

<b>15.00</b>	<b>18.26</b>	<b>.73</b>	<b>18.99</b>	<b>.00</b>
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**REQUEST DETAIL BY PROGRAM****601 DEPT OF COMMERCE****Biennium: 2007-2009****Bill#: HB1018****Date: 12/13/2006****Time: 12:08:01**

Program: DIVISION OF COMMUNITY SERVICES		Reporting Level: 00-601-600-00-00-00-00000000			
Description	Expenditures 2003-2005 Biennium	Present Budget 2005-2007	Budget Request Change	Requested Budget 2007-2009 Biennium	Optional Request 2007-2009

**FUNDING DETAIL****GENERAL FUND**

<b>1,029,157</b>	<b>1,122,033</b>	<b>122,211</b>	<b>1,244,244</b>	<b>0</b>
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**FEDERAL FUNDS**

E011 CDBG 1994	13,269,633	12,472,308	-990,777	11,481,531	0
E012 HOME 1994	5,015,940	7,353,909	11,209	7,365,118	0
E013 SEP ADMIN 2001	509,775	976,261	47,168	1,023,429	0
E014 SEP SP 1996	39,608	0	0	0	0
E018 CSBG 2001	6,156,723	6,976,593	-7,234	6,969,359	0
E019 SEP SP/FUEL CELL DEMONSTRATION	61,484	0	0	0	0
E020 SEP SP ALT FUELS/CLEAN CITIES	25,000	0	0	0	0
E021 ENERGY EFF & RENEWABLE ENERGY - BIO	17,132	0	0	0	0
E022 ENERGY EFF & RENEWABLE ENERGY - ENE	892	0	0	0	0
E030 SHELTER PLUS CARE	351,796	950,000	-450,000	500,000	0
E035 ESGP 2000	585,524	587,699	-20,444	567,255	0
E037 DOE 2000	4,936,844	5,719,423	103,443	5,822,866	0
E040 HOMELESS MIS SUPPORTIVE HOUSING PRO	33,491	0	157,960	157,960	0
E045 STATE LOAN	0	69,252	-9,450	59,802	0
E050 LHP 2000	4,248,597	4,239,151	1,605,353	5,844,504	0
E053 SAA	153	0	0	0	0
E056 IC 1999	408,767	508,449	-34,542	473,907	0
E061 SHOPP HEATING & OIL PROG.	3,987	5,604	734	6,338	0
E062 HUD TA 2001	693	0	0	0	0
E064 EERE	20,000	0	0	0	0
E065 CF&N	30,235	30,000	0	30,000	0
E104 LHP EF 2003	2,485,995	4,535,600	-1,691,438	2,844,162	0
E110 PEER EXCHANGE 1998	1,614	0	0	0	0
E133 WIND ENERGY 2000	4,605	0	0	0	0
<b>TOTAL</b>	<b>38,208,488</b>	<b>44,424,249</b>	<b>-1,278,018</b>	<b>43,146,231</b>	<b>0</b>

**SPECIAL FUNDS**

212 STATEWIDE CONFERENCE FUND 110F	1,350	0	0	0	0
342 INTERGOVERNMENTAL ASSIST. FUND 342	5,000,081	6,522,714	866,072	7,388,786	0
469 OIL TAX RESOURCES TRUST FUND 469	0	0	0	0	3,000,000
<b>TOTAL</b>	<b>5,001,431</b>	<b>6,522,714</b>	<b>866,072</b>	<b>7,388,786</b>	<b>3,000,000</b>

**CHANGE PACKAGE DETAIL****601 DEPT OF COMMERCE****Biennium: 2007-2009****Bill#: HB1018****Date: 12/13/2006****Time: 12:08:01**

<b>PROGRAM: DIVISION OF COMMUNITY SERVICES</b>		<b>REPORTING LEVEL: 00-601-600-00-00-00-00-00000000</b>			
Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds

**AGENCY BUDGET CHANGES**

Cost To Continue	.73	122,212	3,634	3,822	129,668
1 Miscellaneous Changes	.00	2,904	15,611	8,640	27,155
2 Operation Changes	.00	-2,115	32,050	-211,190	-181,255
3 Program Changes	.00	-790	-1,329,313	1,064,800	-265,303
<b>Agency Total</b>	<b>.73</b>	<b>122,211</b>	<b>-1,278,018</b>	<b>866,072</b>	<b>-289,735</b>

**OPTIONAL REQUEST**

14 Resources Trust Fund	.00	0	0	3,000,000	3,000,000
<b>Optional Total</b>	<b>.00</b>	<b>0</b>	<b>0</b>	<b>3,000,000</b>	<b>3,000,000</b>

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## PROGRAM NARRATIVE

601 DEPT OF COMMERCE

Date: 12/13/2006

Time: 12:08:01

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Program: INNOVATION AND TECHNOLOGY	Reporting Level: 00-601-800-00-00-00-00000000
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## PROGRAM PERFORMANCE MEASURES

While measurements are difficult to determine at this time, some potential metrics might be the number of jobs created, capital investment made and new companies started by the COE funding. It may be possible from these metrics to draw some conclusions on the impact on Gross State Product and taxable dollars generated.

## PROGRAM STATISTICAL DATA

The Ambassador program has a membership of nearly 1,000 ambassadors in 26 states and 6 countries. 10 new businesses and hundreds of new jobs were created as in North Dakota as a result of this program. The program won *Business Facilities Magazine's* 2005 Best Program Award for economic development.

## EXPLANATION OF PROGRAM COSTS

It is proposed to fund the Innovation and Technology office with general funds.

## PROGRAM GOALS AND OBJECTIVES

The Innovation and Entrepreneurial office is responsible for monitoring the Center of Excellence funding and providing feedback to the Commissioner, Governor and Legislators that the funds have been spent in accordance with the original requests. By tapping into existing DOC programs, this division will also be able to offer technical support to North Dakota entrepreneurs. The division is being formed to monitor Centers of Excellence funding, put accountability measures in place for these general fund dollars and become the bridge between the DOC and the University systems economic development activities. The Ambassadors program will play a strong role in the outreach to former North Dakotans both from the University system and the state as a whole. The division is composed of the director, an auditor, and a part time administrative support person. The Ambassador's program has also been moved from ED&F to the new division.



**REQUEST DETAIL BY PROGRAM****601 DEPT OF COMMERCE****Biennium: 2007-2009****Bill#: HB1018****Date: 12/13/2006****Time: 12:08:01**

<b>Program: INNOVATION AND TECHNOLOGY</b>		<b>Reporting Level: 00-601-800-00-00-00-00000000</b>			
Description	Expenditures 2003-2005 Biennium	Present Budget 2005-2007	Budget Request Change	Requested Budget 2007-2009 Biennium	Optional Request 2007-2009
<b>SALARIES AND WAGES</b>					
SALARIES - PERMANENT	0	0	293,412	293,412	0
SALARIES - OTHER	15,373	0	0	0	0
FRINGE BENEFITS	0	0	83,700	83,700	0
<b>TOTAL</b>	<b>15,373</b>	<b>0</b>	<b>377,112</b>	<b>377,112</b>	<b>0</b>
<b>SALARIES AND WAGES</b>					
GENERAL FUND	15,373	0	377,112	377,112	0
FEDERAL FUNDS	0	0	0	0	0
SPECIAL FUNDS	0	0	0	0	0
<b>TOTAL</b>	<b>15,373</b>	<b>0</b>	<b>377,112</b>	<b>377,112</b>	<b>0</b>
<b>OPERATING EXPENSES</b>					
TRAVEL	1,079	0	16,675	16,675	10,650
SUPPLIES - IT SOFTWARE	0	0	2,250	2,250	750
SUPPLY/MATERIAL-PROFESSIONAL	25	0	0	0	0
MISCELLANEOUS SUPPLIES	0	0	1,000	1,000	500
OFFICE SUPPLIES	23	0	2,000	2,000	1,000
POSTAGE	0	0	2,000	2,000	750
PRINTING	40	0	1,000	1,000	1,000
IT EQUIP UNDER \$5,000	0	0	2,280	2,280	2,280
INSURANCE	0	0	300	300	200
RENTALS/LEASES - BLDG/LAND	0	0	6,240	6,240	4,160
IT - DATA PROCESSING	6	0	3,510	3,510	2,350
IT-COMMUNICATIONS	237	0	6,000	6,000	2,400
IT CONTRACTUAL SERVICES AND RE	2,120	0	15,000	15,000	0
PROFESSIONAL DEVELOPMENT	747	0	19,215	19,215	37,960
OPERATING FEES AND SERVICES	14	0	149,221	149,221	283,000
FEES - PROFESSIONAL SERVICES	0	0	3,000	3,000	3,000
<b>TOTAL</b>	<b>4,291</b>	<b>0</b>	<b>229,691</b>	<b>229,691</b>	<b>350,000</b>
<b>OPERATING EXPENSES</b>					
GENERAL FUND	4,291	0	229,691	229,691	200,000
FEDERAL FUNDS	0	0	0	0	0
SPECIAL FUNDS	0	0	0	0	150,000
<b>TOTAL</b>	<b>4,291</b>	<b>0</b>	<b>229,691</b>	<b>229,691</b>	<b>350,000</b>

**REQUEST DETAIL BY PROGRAM**

601 DEPT OF COMMERCE

Biennium: 2007-2009

Bill#: HB1018

Date: 12/13/2006

Time: 12:08:01

Program: INNOVATION AND TECHNOLOGY		Reporting Level: 00-601-800-00-00-00-00000000			
Description	Expenditures 2003-2005 Biennium	Present Budget 2005-2007	Budget Request Change	Requested Budget 2007-2009 Biennium	Optional Request 2007-2009

**PROGRAM FUNDING SOURCES**

GENERAL FUND	19,664	0	606,803	606,803	200,000
SPECIAL FUNDS	0	0	0	0	150,000
FEDERAL FUNDS	0	0	0	0	0
<b>PROGRAM FUNDING TOTAL</b>	<b>19,664</b>	<b>0</b>	<b>606,803</b>	<b>606,803</b>	<b>350,000</b>

<b>FTE EMPLOYEES</b>	<b>.00</b>	<b>2.50</b>	<b>.00</b>	<b>2.50</b>	<b>.00</b>
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**FUNDING DETAIL**

<b>GENERAL FUND</b>	<b>19,664</b>	<b>0</b>	<b>606,803</b>	<b>606,803</b>	<b>200,000</b>
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**SPECIAL FUNDS**

330 ECONOMIC DEV. FUND 330	0	0	0	0	150,000
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>150,000</b>

**CHANGE PACKAGE DETAIL****601 DEPT OF COMMERCE****Biennium: 2007-2009****Bill#: HB1018****Date: 12/13/2006****Time: 12:08:01**

PROGRAM: INNOVATION AND TECHNOLOGY		REPORTING LEVEL: 00-601-800-00-00-00-00000000			
Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds

**AGENCY BUDGET CHANGES**

Cost To Continue	.00	377,112	0	0	377,112
3 Program Changes	.00	229,691	0	0	229,691
<b>Agency Total</b>	<b>.00</b>	<b>606,803</b>	<b>0</b>	<b>0</b>	<b>606,803</b>

**OPTIONAL REQUEST**

3 Centers of Excellence Admin	.00	50,000	0	0	50,000
13 InnovateND	.00	150,000	0	150,000	300,000
<b>Optional Total</b>	<b>.00</b>	<b>200,000</b>	<b>0</b>	<b>150,000</b>	<b>350,000</b>